

## **Exhibit D-1 Regional Cost Sharing Formula - Operating Phase**

This Exhibit sets out the cost-sharing assumptions and methodology to be used to determine the share paid by each Agency for the ORCA Program Regionally-shared Costs during the Operating Phase.

### **1. Methodology - Regional Cost Sharing Formula before January 1, 2010.**

The regional cost-sharing formula for the Operating Phase of the Project has been determined, for planning purposes, by each Agency's share of regional ridership projected for the initial period of system operations, from system roll out through December 31, 2009. The percentage is calculated as each Agency's total number of revenue boardings (involving a fare payment transaction) divided by the total of all revenue boardings by all agencies, regardless of total revenue or number of ORCA transactions associated with those boardings. The estimated shares are as follows:

<b>Agency</b>	<b>Share of Regional Costs</b>
King County Metro	66.73%
Sound Transit	11.08%
Community Transit	7.00%
Washington State Ferries	1.96%
Kitsap Transit	2.82%
Pierce Transit	8.81%
Everett Transit	1.60%

These estimated percentages will be adjusted after January 2010 to figures consistent with actual ridership numbers reported by the Agencies for purposes of National Transit Database or other official reporting. The revised percentages based on actual ridership numbers will be applied to regionally-shared operating expenses incurred prior to January 1 2010.

### **2. Methodology - Regional Cost Sharing Formula starting January 1, 2010.**

By October 1, 2009, the Joint Board will adopt a cost-sharing formula to take effect January 1, 2010. This formula shall be based on actual cost drivers such as numbers of transactions, numbers of boardings, numbers of customers, dollar volume of use or sales transactions, etc. as measured and reported by the ORCA system. By June 1 of each subsequent year or such other date as Joint Board establishes, the Joint Board will adjust and adopt the cost sharing formula to take effect January 1 of the following year.